



F760002-0310

Department of State

TELEGRAM

UNCLASSIFIED

094

PAGE 01 LONDON 07224 221215Z

DECLASSIFICATION DATE 6/16/76

46 S

ACTION SS-15

PER M. J. Webb OFFICE EURFADRC FOI CASE NO. 5-A-88

INFO OCT-01 EUR-25 ADP-00 NSCE-00 SSU-00 NSC-10 SCEM-02

EB-11 AF-10 L-03 RSR-01 PSC-01 /079 W

023901

O 221210Z JUN 73

FM AMEMBASSY LONDON

TO SECSTATE WASHDC IMMEDIATE 2080

CONFIDENTIAL LONDON 07224

FOR CASEY FROM ARMSTRONG

F.O. 11652: GDS

TAGS: ENER

SUBJECT: 1) ENERGY; 2) BUNKER HUNT

DEPARTMENT OF STATE A/CDC/MR	
REVIEWED BY <u>d</u>	DATE <u>15/17/52</u>
RDSC/OP KDS/EXT. DATE <u>N</u>	
TS AUTH. <u>REA OR (S)</u>	
ENDORSE EXISTING MARKING <u>1</u>	
DECLASSIFIED <u>1</u>	
RELEASE OF INFO <u>1</u>	
AND LIBYA EXEMPTIONS <u>1</u>	

CONVERSATION YESTERDAY WITH BELGRAVE OF BP, WHO HAD JUST ATTENDED DITCHLEY CONFERENCE ON ENERGY IN WHICH AKINS PARTICIPATED, EVOKED TWO POINTS OF PARTICULAR INTEREST:

1) US GASOLINE SHORTAGE WILL CAUSE HEAVY DEMAND FOR GASOLINE AND OTHER REFINED PRODUCTS FROM EUROPE, WHERE THERE IS ONLY SPARE REFINERY CAPACITY IN WORLD. THIS WILL LEAD TO IMPOSITION OF EXPORT CONTROLS OR EMBARGOS BY EUROPEANS, WHO ARE EVEN NOW CONCERNED ABOUT PRICE PRESSURE. US FORMULA FOR EMERGENCY SHARING ADVANCED AT OECD WILL UNDER THESE CIRCUMSTANCES BE INJURIOUS TO US, AND WE SHOULD REEXAMINE OUR POSITION IN LIGHT THIS POINT

ABOUT GASOLINE. PRICE CONTROL IN US IS OF COURSE A FACTOR.

2) BP IS PROCEEDING WITH LEGAL ACTION WHEREVER IT CAN IDENTIFY LIBYAN CARGOES AS EITHER BP OR BH CRUDE. IT IS ABOUT TO ACT ON CARGO DESTINED SICILY. BP AND BH LAWYERS HAVE CONFERRED ON ACTING JOINTLY, BUT BH LAWYERS WERE CONCERNED ABOUT ANTI-TRUST IMPLICATIONS. IT WAS SUGGESTED TO BELGRAVE THAT BH LAWYERS MIGHT FIND IT

UNCLASSIFIED



F760002-0311

Department of State

TELEGRAM

UNCLASSIFIED

PAGE 02 LONDON 07224 221215Z

USEFUL CONSULT STATE DEPARTMENT LAWYERS. SINCE WE MIGHT
WELL FIND IT IN US INTEREST HAVE BH ASSOCIATED WITH RP
IN SUCH ACTION.

ANNENBERG

NOTE BY DC/T: DISTRIBUTION COORDINATED WITH S/S-C - MR. WRIGHT.

UNCLASSIFIED